LIQUOR LICENSING REVIEW

JULY 1989

Ministry of Labour
and Consumer Services

LIQUOR LICENSING REVIEW

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submitted by: Peter Bazowski

July 1989

Ministry of Labour
and Consumer Services

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July 31, 1989

The Honourable Lyall Hanson
Minister of Labour and Consumer Services
Parliament Buildings
Victoria, B.C.
V8V 1X4

Dear Mr. Hanson:

Re: Liquor Licensing Review

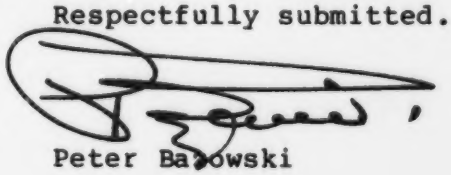
Attached hereto is my report regarding the review of the current liquor licensing process in British Columbia.

My report, as well as drawing on my experiences as former deputy minister responsible for the Liquor Control and Licensing Branch, has taken into account views expressed by past and present Branch staff and representatives of the provincial and local governments and the hospitality industry.

During the course of my review it became quite apparent that certain aspects of the licensing process required attention. In this report I have attempted to identify the major areas of concern. The recommendations offered attempt to deal with those concerns in a straightforward and direct manner. It is my view that these recommendations can assist in the establishment of a licensing process that is more efficient and open and one which results in decisions which are consistent and fair.

I trust that this report will provide you with some assistance in revising the liquor licensing process in British Columbia.

Respectfully submitted.



Peter Ba[illegible]owski

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LIQUOR LICENSING REVIEW

JULY 31, 1989

I. INTRODUCTION

A. APPOINTMENT

The Minister of Labour and Consumer Services, the Honourable Lyall Hanson, requested that I review certain aspects of the liquor licensing process in the Province of British Columbia. The specifics of that request are set out in a letter to me dated June 7, 1989, which is attached as Appendix "A". A press release was issued by the Minister announcing my appointment and a copy of that press release is attached as Appendix "B".

B. TERMS OF REFERENCE

Specifically the Minister requested that I inquire into and provide a written report with recommendations on the following:

1. current and past practice for approving neighbourhood and marine pub licence applications and changes to practice and policy as required;

2. the establishment of a new process for approving neighbourhood and marine pub licences which would be independent and public to afford those with a legitimate interest an opportunity to express their views;

3. an appropriate decision appeal process for neighbourhood and marine pubs which is expeditious and cost efficient; and

4. other issues which may be referred to me or which arise during the course of my review.

The Minister indicated that he was satisfied with new initiatives to increase municipal involvement in the liquor licensing process which followed from a Discussion Paper prepared by the Joint Committee on the Municipal Role in Liquor Licensing, therefore my review is limited to matters of provincial responsibility.

Although my stated terms of reference were restricted to

neighbourhood and marine pub licence applications, it became obvious early in my review that the licensing of all establishments should be considered. Throughout my review I have had complete freedom to make my own observations and recommendations notwithstanding the original terms of reference or those announced in the press release which inferred that a commission would be established to license neighbourhood and marine pubs.

C. PROCESS

During the course of my review I have:

1. reviewed current and past practices and procedures for approving liquor licence applications;

2. met with past and present General Managers and staff of the Liquor Control and Licensing Branch, past Deputy Ministers responsible for the Branch, provincial and local politicians, representatives of the hospitality industry and other persons such as the Ombudsman and representatives of other regulatory bodies;

3. reviewed the liquor licensing process of other provinces;

4. reviewed licensing procedures followed by other regulatory bodies in British Columbia;

5. reviewed the Ombudsman's Public Report No. 6, June 1987 - Liquor Control and Licensing Branch Fairness in Decision Making;

6. reviewed the Liquor Policy Review (the Jansen report) dated June 1987; and

7. reviewed the Discussion Paper prepared by the Joint Committee on the Municipal Role in Liquor Licensing dated September 15, 1988.

I wish to thank the various persons who have taken the time to share their views on the liquor licensing process in British Columbia. Their input has been of great assistance to me. I also wish to thank Boris Tyzuk, Barrister and Solicitor, and his secretary, Farida Jamal, of the Ministry of the Attorney General Legal Services Branch, the staff of the Liquor Control and Licensing Branch, Ministry of Labour and Consumer Services and ministry staff for their assistance during this review.

II THE LIQUOR LICENSING PROCESS

A. LEGISLATION

The Liquor Control and Licensing Act R.S.B.C. c.237, as amended, and regulations passed pursuant to the Act form the statutory framework for the liquor licensing process. Within this framework the General Manager of the Branch has wide discretionary powers in all licensing matters. The General Manager has the authority to administer the Act and supervise all licensed establishments subject to the orders, direction and supervision of the Minister (section 3(2)).

The General Manager, subject to the Act and regulations, is empowered to issue, renew, amend, transfer, suspend, or cancel licences as provided by the Act and regulations (section 5(a)), specify the regulations applying to any licence (section 5(b)), supervise the conduct and operation of licensed establishments (section 5(c)), authorize officials to issue licences and permits under the Act (section 5(f)) and perform all other acts required to properly and efficiently administer his responsibilites as defined by the Minister and under the Act and regulations (section 5(g)).

In addition to these general powers, the General Manager:

1. may consider the views of residents of an area he specifies with respect to a licence application in the form of a resolution of a municipal authority or a petition or referendum of residents and he may specify the manner in which the referendum is to be carried out (section 10) and in the case of a "D" licence the General Manager must consider the results of the referendum;

2. may, having regard to the public interest, issue a licence for the sale of liquor (section 11(1));

3. may, in the public interest, impose various terms and conditions on any licence that has been issued (section 11(2));

4. may amend the terms of, renew or transfer a licence (section 11(4));

5. may endorse a licence to allow for off premises sales (section 14);

6. shall not issue a licence or renew or transfer a licence to a person who is, in the General Manager's opinion, not a fit and proper person (section 16(1));

7. shall not issue, renew or transfer a licence where he thinks it would be contrary to the public interest to do so (section 16(2));

8. may consent to the use of a licensee's licence by another person (section 17);

9. may, with or without holding a hearing, restrict the scope of a licence by imposing conditions on it, or suspend or cancel a licence and in some cases he shall cancel a licence (section 20);

10. may hold a show cause hearing on application by a person from the municipality in which a licensed establishment is situated (section 21); and

11. may suspend, cancel or impose conditions on that licence as a result of a show cause hearing (section 22(1)).

The Liquor Control and Licensing Act Liquor Control and Licensing Regulations, B.C. Reg. 608/76 and amendments, specify that the General Manager:

1. prior to processing an application, may require various approvals from the appropriate municipal authorities (Reg. section 5(2));

2. shall consider various enumerated factors in making his decision (Reg. section 5(4));

3. may authorize licensees to dispense liquor in a manner different from that set out in the regulations (Reg. section 7);

4. may allow patrons to stay in a licensed establishment beyond 1/2 hour after closing (Reg. section 8(1));

5. has authority over the attire to be worn by employees serving food and liquor at a licensed establishment (Reg. section 10);

6. has wide authority over certain specific aspects of

all categories of licences (A, B, C, D, E, F, G and H) including types of liquor sold, minors in the premises, hours of sale, entertainment, food to be served, seating capacity, minimum seating at tables, location in terms of proximity to a main or secondary highway, proximity to certain categories of licensees and for marine pubs only, moorage and related facilities (Reg. section 17) and

7. may authorize additional outdoor patio seating for a neighbourhood pub or a marine pub (Reg. section 17.1).

The appeal process is set out in section 31 and 32 of the Act. Licensing decisions, are, for the most part, appealable to only the Minister (section 32) while enforcement decisions and third party appeals of licensing decisions are appealed to the Commercial Appeals Commission (section 31). It is my understanding that, to date, the statutory provisions concerning the Liquor Appeal Board have not been implemented.

B. THE LICENCE APPLICATION PROCESS

I will deal with the application process for a neighbourhood pub licence, a "D" licence, as it is the most

contentious, however, the application process for other licences apart from 'B' licenses are similar. The application process for a 'B' licence, a restaurant licence, is not as involved as the process discussed herein.

When applying for a neighbourhood pub licence, the applicant is required to provide to the local licensing inspector a letter of application, proof of ownership of a valid interest in land, a statement of proposed owners, a resolution of the appropriate local government indicating that it has no objection in principle to allowing a neighbourhood pub at the proposed site and $100.00 as an application fee.

A local licensing inspector then carries out an inspection of the proposed pub site and the surrounding area. He prepares a pre-clearance report including photographs of the site and that report is forwarded to a licensing officer at the Branch's office in Victoria. The application documentation and the pre-clearance report are then considered by the Deputy General Manager Licensing and Industry Relations, in consultation with senior licensing staff, within the context of the statute, the regulations and Branch policy. The Deputy General Manager Licensing and Industry Relations, on behalf of the General Manager, makes the licensing decision. The

applicant is advised of that decision. It is open for the General Manager to override the decision of the Deputy General Manager Licensing and Industry Relations and make his own decision, but this is not the present practice.

If an applicant is denied pre-clearance, he may appeal to the Minister, but if an applicant is granted pre-clearance approval, he is required to hold a referendum of residents in the immediate vicinity of the proposed pub site and to obtain all necessary municipal permits and approvals. Usually the applicant carries out the referendum first before obtaining the municipal permits and approvals although he is not required to do so. The applicant requires at least a 60% vote in favour of the proposed pub in the referendum. The necessary municipal approvals and permits normally require that formal floor plans be submitted to the municipality. If the appellant is successful on the referendum and when he has the necessary municipal approvals and permits he submits formal floor plans of the proposed pub, together with fire and health stamps on those plans, to the Branch. If the plans are in order, the Branch stamps the plans as approved in principle and the applicant, assuming everything else is in order, is free to

construct the pub. After the pub is constructed, the applicant contacts the Branch and requests final approval. The local licensing inspector inspects the premises, completes an interview sheet with the applicant and prepares a final report. The final report is forwarded to Victoria and reviewed by a licensing officer. If the final report is satisfactory, the applicant is issued a licence to operate the neighbourhood pub.

Residents near the pub site are involved both at the referendum stage and at any municipal hearings which may be held with respect to zoning in the area in which the pub is to be situated. Those with other legitimate interests do not have a formal opportunity to voice any concerns with the Branch prior to the making of the decision. However, site postings and newspaper advertising prior to the conduct of the referendum do invite any interested party to write or petition the General Manager with concerns. These concerns are considered prior to licensing but have never acted as an "override" to referendum results.

The above summary of the present licensing process is by no means exhaustive but serves to give an indication of the process under review.

III ISSUES AND CONCERNS

During my review, I identified or people expressed to me various issues and concerns about the liquor licensing process; the most significant of those issues and concerns are:

1. the perception of real or imagined political interference in the licensing process as well as the potential for such interference. The statutory framework of liquor licensing described earlier shows that the General Manager is conferred with significant discretionary authority and, as such, is open to political interference. In addition, the Act specifically directs that appeals from licensing decisions go to the Minister. Any inclusion of the Minister in the licensing process automatically introduces the potential for political interference;

2. some past General Managers and staff indicated that during their tenure some political pressures had been placed on them; this however has to be considered in context. Inquiries made by politicians on behalf of their consitituents do not necessarily constitute political pressure. Much may

depend on the person who is receiving the inquiry and how he deals with it. He may read more into the inquiry than is called for;

3. the General Manager has too much discretionary power. Although there are various statutory provisions with respect to licensing set out in the Act and the regulations, in almost all cases the General Manager has the discretion to ignore such statutory provisions and make decisions as he sees fit;

4. there is a lack of written policy, apart from the Act, regulations and General Manager's Orders, for liquor licensing matters which has led to inconsistent licensing decisions;

5. some expressed the view that the General Manager's discretionary authority has not been exercised consistently by General Managers;

6. in addition to perceived political pressure, some staff suggested that the present licensing structure also subjects the General Manager and staff to undue industry pressure;

7. the Commerical Appeals Commission is perceived as having become unnecessarily formal and time consuming. There is also an apparent lack of industry experience on that Commission;

8. in some cases proper procedures have not been followed for the approval of licences;

9. the Branch has experienced significant staff turnover in recent years and, more significantly, a number of very experienced staff members have left recently for various reasons;

10. the Branch is understaffed and this results in delays in processing applications. This is frustrating for both staff and the hospitality industry;

11. the inflexibility of some staff members with respect to licensing policy and decisions;

12. in the past, General Managers of the Branch have had a number of years of experience before assuming the position of General Manager. Recently this tradition was broken and the result was not a

positive one for the Branch or for the liquor licensing process. Part of the problem undoubtedly was due to the lack of written policies which would have provided specific guidelines for a General Manager not well versed in the liquor licensing process;

13. third party appeals have caused extra work for Branch staff and the Commercial Appeals Commission. It appears more appropriate to allow legitimate third party interests to make representations at the hearing level before the decision is made and to limit third party appeals;

14. the written reasons which the Branch has given for its decisions have tended to be limited and quite general;

15. the Branch requires a comprehensive written policy manual, not only for consistency in its own internal decision making but also to provide guidelines for those who wish to apply for liquor licences and for those in the hospitality industry;

16. some licensed establishments do not meet current

licensing requirements. Although these establishments have valid licences, there is no excuse for their not adhering to current standards to the best of their ability;

17. the results of a referendum are not disclosed, and the privilege of an applicant to choose which approved firm should carry out the referendum questions the validity of the referendum. The use of the term "referendum", although it appears in section 10(2)(b)(iv) of the Act, does not accurately reflect the canvassing of local opinion that does take place. A true referendum utilizes the complete electoral process while the liquor "referendum" process is intended to be a survey of local opinion;

18. the Branch's approach to enforcement may, in some instances, be considered too lenient and the penalties not severe enough;

19. some of the Branch's licensing policies are too specific or are irrelevant; and

20. in 1987, the Minister of Labour and Consumer Services requested that the Ombudsman review the

procedures involved in liquor licensing in British Columbia. In his Public Report No. 6 dated June, 1987, the Ombudsman, in response to the Minister's request, identified a number of deficiencies in the liquor licensing procedures. The major deficiencies and comments of the Ombudsman may be summarized as follows

a) a lack of written policies and, in some cases, a lack of written codification of various standards into regulations. Notwithstanding this suggestion for codification of standards and written policies, such written policies should not be so rigid as to fetter the discretion of the General Manager as, apart from any legal difficulties, an inflexible policy would not allow for a fair or appropriate decision in all cases,

b) that there be administrative fairness in the licensing process such that all parties with a legitimate interest be given an opportunity to make representations to the General Manager before he makes his final decision. Sufficient notice of any proposed General Manager's

decision should be given to the affected party along with relevant details. In addition, the General Manager should provide full reasons for all his decisions,

c) that a statutory right of appeal to a Minister may be perceived as susceptible to extraneous influences and therefore licensing appeals should be to the Commercial Appeals Commission or a similar independent appellate body,

d) that a special panel of the appellate tribunal be established to hear all liquor related appeals and that general guidelines be drawn up to indicate the desired background and qualities of members of this special panel,

e) that an appellant be given adequate notice of the appeal proceedings and that he also be given access to all information relevant to the decision, subject to any confidentiality concerns, and

f) that the appellate tribunal give written reasons for all of its decisions and that a public record be kept of its decisions.

From the above mentioned concerns, one can identify real or perceived political interference, the concentration of decision making power with one individual, insufficient opportunity for representation by applicants and legitimate third party interests, the lack of comprehensive written policies, inconsistent decision making and an unsatisfactory appeal process as those areas of the licensing process which deserve serious consideration. I have not studied the policies themselves as they have yet to be compiled into a comprehensive manual. When that manual is produced it may be in order to conduct a policy review, although there should be an internal review during the compilation of such a manual. Some of the overly specific or trivial requirements previously demanded should not be included in the policy manual.

IV RECOMMENDATIONS

In considering my recommendations I have used my terms of reference as a guideline, but in some areas I have chosen to go beyond those guidelines as I feel such recommendations are appropriate in order to deal fully with the concerns identified in the course of my review. Given the government's satisfaction with the role of municipalities in the liquor licensing process and as this was not raised as an issue or concern, I have made no specific recommendations in that area.

1. **"That the Branch compile a comprehensive written policy manual which would identify the objectives of the Branch but would leave the decision maker sufficient discretion to allow for fair and flexible decision making. This manual should be available to the public."**

   It is my understanding that the Branch is presently involved in this process and that the majority of the written policy manual has been completed as of the date of this report. This policy manual will assist the Branch in its decision making process and allow for more consistent decisions. In addition, the policy manual will give applicants and the hospitality industry a clear indication of what is expected of them.

2."That all previous licensing decisions consistent with current policy be incorporated into the comprehensive written policy manual. Those decisions which are inconsistent with current approved written policy would be grandfathered but would have no further legitimacy as a precedent for approval or appeal purposes."

There are many licensing decisions of the Branch which are inconsistent with one another and which are inconsistent with present policies. Those inconsistent decisions should not be allowed to influence future decision making, yet one has to recognize their existence, so they should be grandfathered. Such decisions, however, would no longer be of any precedent value in future decision making or appeals. Some thought might be given to limiting these grandfathered rights so that such licensees be required to meet present licensing standards after a certain period of time.

3."That all policies in the Branch's written policy manual have as their authority provisions in the Liquor Control and Licensing Act or its regulations and that such written policies be approved by the Minister."

This statutory basis will help to eliminate policies which are outside the jurisdiction of the Branch and should provide

clarity to the policy making process. The Minister, as the person responsible for the Branch, would approve the Branch's policy.

4. **"Rather than continuing to have all licensing authority rest with the General Manager, a committee should be created to make significant licensing decisions. This committee should be composed of the General Manager, and other senior officials of the Branch or the Ministry."**

The establishment of a committee to make significant licensing decisions would meet one of the major concerns, namely that too much discretionary authority rests in one individual, the General Manager. A committee structure would help to diffuse the pressures which can be exerted upon one particular individual. I had considered the establishment of an independent licensing commission. In some jurisdictions independent commissions have been created to deal with liquor licensing. In some cases these commissions hold public hearings. In British Columbia there is already an independently appointed body involved in the liquor licensing process, albeit at the appeal stage, the Liquor Appeal Board. Most other provincial jurisdictions, it seems, do not allow for an appeal to an independent tribunal, like the Liquor Appeal Board. Those appeals are, for the most part,

either internal reviews or can only be made to the Courts on a limited grounds. As well, most jurisdictions do not have local involvement by way of a referendum. To create another independent tribunal in the licensing process and require full public hearings would result, for the most part, in a duplication of the present system, and it would only complicate, lengthen and increase the cost of the present licensing system. This would be unfair to the applicant and would not result in an efficient licensing process. In addition, it is my view that liquor licensing is a provincial responsibility. The Minister should be responsible for liquor policy and the actions of his staff concerning licensing and therefore it is more appropriate that the initial licensing decisions be made within the provincial government structure.

5. "The Committee would hold a hearing before making any significant licensing decision. The applicant and any legitimate third party interest would have an opportunity to make representations to the Deputy General Manager Licensing and Industry Relations and/or at the hearing. The hearing would be held in accordance with the rules of natural justice. The legitimacy of a third party interest would be determined by whether the proposed approval contravened the Act, regulations or policy as contained in the policy

manual. Economic competition alone would not constitute grounds for a third party intervention."

The Deputy General Manager Licensing and Industry Relations would not be a member of the committee, rather she or he would make a recommendation about a particular licence application to the committee. The applicant would be advised of the Deputy General Manager's recommendation and he would have an opportunity to make representations before the committee at the licensing hearing. Also legitimate third party interests would be notified of the hearing and be given an opportunity to make representations to the Deputy General Manager Licensing and Industry Relations and/or at the hearing. The exclusion of the Deputy General Manager Licensing and Industry Relations from the actual decision making process allows for more independent decision making. The Deputy General Manager Licensing and Industry Relations would deal with the applicant, persons acting on the applicant's behalf and legitimate third party interests. Members of the committee could not hear any representations from anyone prior to the hearing in order to ensure that the hearing is fair and impartial.

An applicant and those with legitimate third party interests

would have an opportunity to try to influence the decision makers before their decision is made. This is preferable to trying to convince an appellate tribunal to reverse a decision. It is necessry to limit those third parties who can make representations at the hearing. Although the very nature of government regulation limits competition, existing licensees should not be protected from competition and thus they should not be afforded an opportunity to make representations to oppose a licence application on the basis of economic competition alone. In addition, it has been suggested that the inclusion of representations by third parties at the initial decision making level will decrease the number of third party appeals. The general public, including local residents, would not make representations at this hearing, however, they would continue to be involved at the referendum stage and at any local zoning hearings and they would still be able to write or petition the Branch about any particular licence application.

6. **"All decisions of the committee would be in writing and specific details of such decisions would be given to applicants and others who made representations at the hearing."**

This would give an applicant and others with a legitimate third party interest an opportunity to understand the basis for the committee's decision. It would also assist in a subsequent appeal.

7. **"The decisions of the committee would be subject to appeal to the Liquor Appeal Board as provided for in the Act. This right of appeal, however, should be limited to situations involving a breach of the rules of natural justice such as bad faith, an error of law or the failure to consider material evidence, or where there is new and compelling evidence which was not presented to the committee. Appeals, except in very unusual circumstances, should not be de novo hearings but rather should be true appellate hearings. The appeal hearings should be informal. Those who do appeal should be given access to relevant information, subject to any confidentiality requirements."**

Given the opportunity for legitimate third parties and the applicant to express their views at the initial licensing hearing there is no longer the same need for a de novo hearing before an appeal tribunal. Informal hearings would answer the criticism of the present nature of appeals before the Commercial Appeals Commission. The limitation of the

scope of appeals and the type of appeals is necessary in order to keep the Liquor Appeal Board from becoming a second liquor licensing authority.

8. **"The membership of the Liquor Appeal Board should include persons with experience in the hospitality industry."**

   A more knowledgeable appellate body will better serve the parties to an appeal.

9. **"The provisions of Bill 38-1988, Liquor Control and Licensing Amendment Act, 1988 should be proclaimed and implemented as they refer to the Liquor Appeal Board."**

   This would replace appeals to the Commercial Appeals Commission and appeals to the Minister pursuant to section 32 of the Act.

10. **"An appeal from a decision or order of the Liquor Appeal Board could be made to the Court of Appeal with leave of a Justice of the Court of Appeal."**

    This provision is included in Bill 38-1988 and there appears to be no compelling reason to delete it.

11. **"Funding for the Liquor Appeal Board, which would also hear listing and delisting appeals from the Liquor Distribution Branch, should be from the revenues generated from the Liquor Distribution Branch."**

This would ensure that there will be sufficient resources to properly administer and operate the Liquor Appeal Board and give it an added degree of independence.

12. **"The Liquor Control and Licensing Branch should be properly staffed and, if required, additional staff should be hired so that it may carry out its duties in an efficient and responsible manner."**

It was quite apparent that the Branch is understaffed. The lack of personnel increases the processing time of applications and the subsequent delays frustrate staff, the applicants and the hospitality industry.

13. **"The results of a referendum should be disclosed."**

There is no reason for not disclosing this information.

14. **"There should be strict Branch guidelines on how a referendum is to be carried out."**

Some persons have questioned the ability of an applicant to choose an approved firm to do the referendum. There are pros and cons to this situation especially when one considers that the applicant bears the full cost of the referendum. A way of decreasing the likelihood of bias is to establish strict Branch guidelines on how a referendum is to be conducted and to enforce those guidelines. The Branch has recently established such guidelines in consultation with approved firms doing referenda, representatives of the hospitality industry and the Ombudsman's office. These guidelines might be improved by adding the following:

a) appeals against the results of a referendum would be referred to the Liquor Appeal Board;

b) referendum companies would be obliged to post a bond or a deposit. If an appeal was upheld the referendum company might be ordered to correct the findings, re-do the referendum or refund the cost to the applicant if the applicant was required to do a new referendum with another company; and

c) the applicant would have to choose a referendum company from an approved list maintained by the Liquor Control

and Licensing Branch and could not propose an unlisted company at the time of making application for a licence.

Given the present process used to survey the views of residents in the vicinity of a proposed pub site, thought should be given to amending section 10(2)(b)(iv) of the Act, by deleting the word "referendum" and replacing it with a term which more accurately describes the process.

15. **"The committee could also hear some enforcement matters, however, in this case, the Deputy General Manager Enforcement would not sit on the committee but would make recommendations to the committee."**

Although I have not specifically considered the enforcement aspect of liquor licensing it may be appropriate and consistent for the committee to be involved in some major or serious enforcement decisions.

16. **"Thought should be given to increasing the penalties imposed on licensees who contravene the terms and conditions of their liquor licences."**

It is a privilege to be licensed to operate a licensed establishment, and those who are licensed must accept the obligations attendant to licensing. Licensees who repeatedly ignore their legal obligations should be treated severely. There will be those who will point to the harsh economic consequences of stiff penalties, but it is the licensee who has to accept responsibility for his actions in the operation of his licensed establishment and for the consequences of those actions.

In order to appreciate the type of licensing process proposed, I have included two organizational charts as Appendices "C" and "D".

CONCLUSIONS

If the proposed recommendations are adopted the following goals will be achieved:

1. the hospitality industry and the public generally will be more aware of liquor licensing policies;

2. there will be less opportunity for real or imagined political interference in the licensing process;

3. past discretionary licensing decisions will not necessarily serve as a basis for future licensing decisions;

4. administrative fairness in the licensing process will be achieved; and

5. the licensing process will become less cumbersome, more efficient and quicker.

Province of
British Columbia

OFFICE OF THE
MINISTER

Ministry of
Labour and
Consumer Services

Parliament Buildings
Victoria
British Columbia
V8V 1X4

APPENDIX "A"

June 7, 1989

Mr. Peter Bazowski
R.R.#4
Fairway Drive, C47
Salt Spring Island
Ganges, British Columbia

Dear Mr. Bazowski:

I am pleased that you have agreed to take on this assignment.

As you are aware, I have been concerned for some time that the existing process for marine and pub licenses imposes a considerable breadth of judgement-making on one individual, specifically the General Manager of the Liquor Control and Licensing Branch or his delegate.

Due to the potential financial benefit which may accrue to a successful pub applicant, I strongly believe that the licensing process should be public and with written reasons provided for each decision. In this regard I would ask you to enquire into the following matters and provide a written report with recommendations:

1) Review current and past practice for approving neighbourhood and marine pub license applications and recommend changes to practice and policy as required.

2) Establish a new process for approving neighbourhood and marine pub licenses which would be independent and public to afford those with a legitimate interest an opportunity to express their views.

3) Recommend an appropriate decision appeal process for neighbourhood and marine pubs which is expeditious and cost efficient.

4) Other issues which may be referred to you either by myself or my Deputy Minister which may arise during the course of your review.

The Ministry has just recently completed a joint review with the Union of British Columbia Municipalities on the appropriate division of responsibilities for pub licensing and the results of this review were endorsed by Cabinet. In future, the municipalities will assume the responsibility for local issues such as parking, access and siting in relation to schools, churches and highways, as matters appropriate to their responsibility for zoning. In addition, municipalities will have the opportunity to oversee referendums if a by-law is passed delineating the process. These are positive changes and I ask you to confine your review to matters of provincial responsibility.

I would like your report completed by July 30, 1989.

Yours sincerely,

Lyall Hanson
Minister

cc: Mr. Lee Doney
Deputy Minister

Mr. Robert Silver
General Manager
Liquor Control and
Licensing Branch

Province of British Columbia

NEWS RELEASE

APPENDIX "B"

MINISTRY OF LABOUR AND CONSUMER SERVICES

FOR RELEASE: JUNE 6, 1989

MAJOR CHANGES TO PUB LICENCING PROCESS PLANNED

Victoria B.C. -- Labour and Consumer Affairs Minister Lyall Hanson said today that major changes are planned to the process of granting neighborhood and marine pub licences in British Columbia.

Hanson said his ministry has asked former Ombudsman Peter Bazowski to undertake a detailed assessment of current liquor-licencing policy, and assist in the implementation of a new, independent commission to approve all future neighborhood and marine pub licences.

Bazowski has served as Deputy Commissioner of the RCMP, Deputy Minister of the B.C. Ministry of Consumer and Corporate Affairs, Deputy Minister of Health in B.C., and Special Advisor to Premier Bill Vander Zalm.

Hanson said the commission would determine the allocation of pub licences through a public hearing process. The commission would also report annually to the legislature.

"It is vital that the public have every opportunity to provide open input into the process of granting pub licences. This is an area where considerable discretion is often required, and the public must have direct avenues to express its interest," he said.

The make-up of the commission, its reporting relationship to the current liquor control and licencing branch, its role in respect to the minister in charge, and the process of appeal, will all be examined by Bazowski, said Hanson.

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Hanson said the assessment will examine the lessons learned from the current provincial pub licencing process, and may review individual issues at the discretion of Bazowski. The report will be made public when complete.

The minister said the decision to establish a commission was made by him after observing the process over the past two years.

"It is imperative that the process of granting liquor licences be without reproach, and that the public have full confidence in the impartiality and neutrality of the administrative system.

"I believe that the public has a right to feel fully confident that the system is open and fair. It is unfair now to place the breadth of judgement-making in the hands of any one individual within the ministry," he said.

Currently, the process of granting neighborhood and marine pub licences is the responsibility of the general manager, liquor control and licencing branch.

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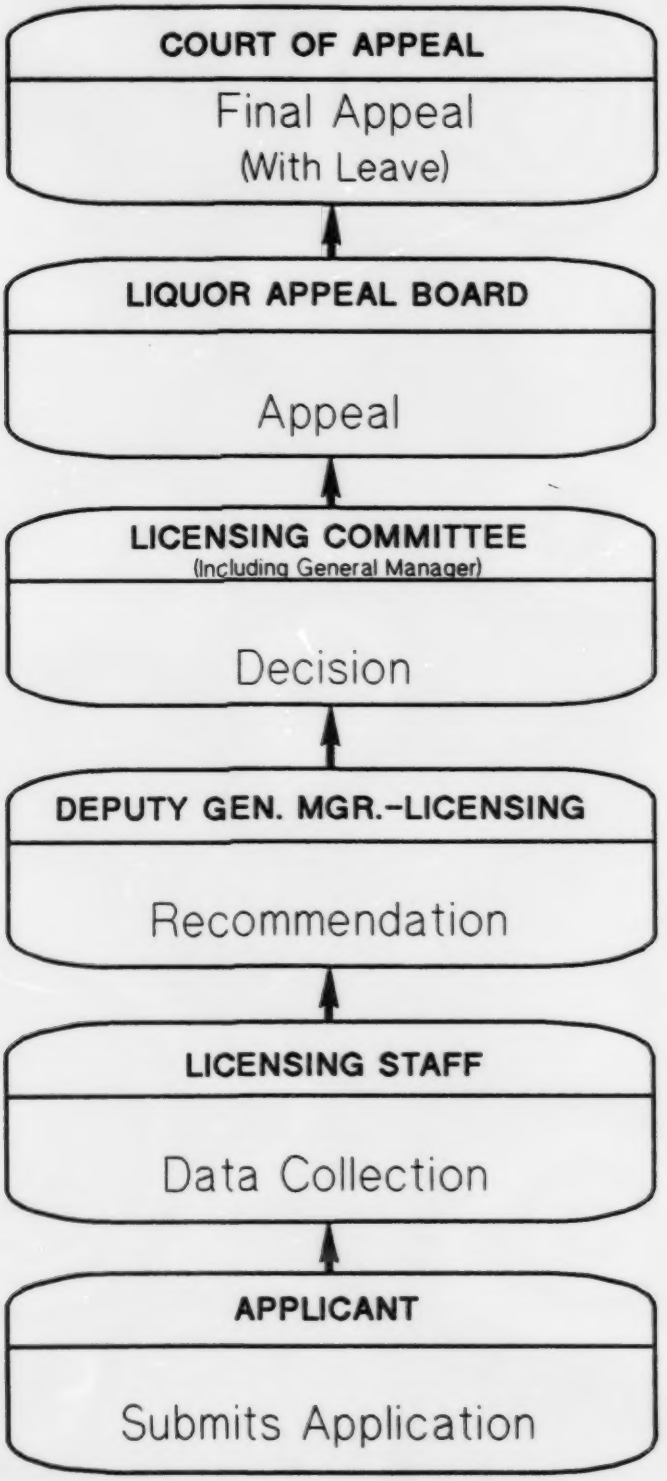
For more information contact:
Rick Stevens 387-3194
Director of Communications

APPENDIX "C"

LIQUOR LICENSING PROCESS

Ministry of Labour and Consumer Services



APPENDIX "D"

MINISTRY OF LABOUR & CONSUMER SERVICES
Liquor Control and Licensing
July 1989